

JIM IRVIN
COMMISSIONER-CHAIRMAN

RENZ D. JENNINGS
COMMISSIONER

CARL J. KUNASEK
COMMISSIONER

OPEN MEETING ITEM



ARIZONA CORPORATION COMMISSION



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MICHAEL G. BURTON, SR.
DIRECTOR

SECURITIES DIVISION
1300 West Washington, Third Floor
Phoenix, AZ 85007-2996
TELEPHONE: (602) 542-4242
FAX: (602) 544-7470
E-MAIL: accsec@ccsd.cc.state.az.us

MEMORANDUM

TO: Commissioner-Chairman Jim Irvin
Commissioner Renz D. Jennings
Commissioner Carl J. Kunasek

FROM: Michael G. Burton, Sr. *MB*
Director of Securities

DATE: June 8, 1998

RE: Ronald H. Weiner (Ronald H. Weiner et al., S-03047A-97-0000)

CC: Jack Rose, Executive Secretary

Attached is a proposed Order to Cease and Desist and for Other Relief and Consent to Same ("Order and Consent"), fully executed by Respondent Ronald H. Weiner ("Weiner"), regarding Weiner's sale of unregistered securities and misrepresentations and omissions in the sale of securities, and denial of securities salesman registration.

From December 1991 to February 1993, while registered as a securities salesman in Arizona with Securities America, Inc., Weiner engaged in the sale of fractional undivided interests in oil and gas wells located outside Arizona. The securities were not recorded on the records of the dealer at the time of the transactions, which constitutes dishonest and unethical conduct in the securities industry under the Arizona Securities Act. Weiner's securities salesman registration terminated on December 31, 1993, pursuant to statutory provisions for failure to renew his registration status. On September 30, 1997, Weiner filed an application to be registered as a securities salesman in Arizona through Metlife Securities Inc.

On October 28, 1997, the Securities Division ("Division") filed a Notice of Opportunity for Hearing Regarding Proposed Order to Deny Securities Salesman Registration; Order to Cease and Desist; Order of Restitution; and Order Assessing Administrative Penalty, alleging that Weiner dba Ron Weiner Associates ("RWA"), in partnership with Respondent Douglas Dean Sackett, did business within and from Arizona by:

a. Directly and indirectly offering unregistered and non-exempt securities in the form of fractional interests in oil and gas wells developed by Big Horn Oil Company located in Oklahoma;

b. Acting as a dealer within Arizona, although not registered pursuant to the Securities Act nor exempt therefrom;

c. Directly or indirectly misrepresenting and failing to disclose material facts in the offer and sale of the securities; and

d. Effecting securities transactions that were not recorded on the records of the dealer with whom he was registered at the time of the transactions.

The Division alleged in the Notice that the offer and sale of the oil and gas interests were in violation of A.R.S. §§ 44-1841, 44-1842, 44-1991, and 44-1962.

On June 5, 1998, Weiner individually and dba Ron Weiner Associates entered into a Consent to Entry of Order by the Commission and Waiver of Hearing ("Consent"). In the proposed Consent, Weiner agreed to entry of the proposed Order and Consent, which incorporates all of the allegations contained in the Notice, including the sale of unregistered and non-exempt securities, sales of securities by unregistered dealer, fraud in the offer and sale of securities, and denial of Weiner's securities salesman registration. Weiner also consented to entry of a Restitution Order against him in the amount of \$300,000, with interest on that amount at the maximum legal rate of 10% per year from the date of entry of the Order until paid in full.

Weiner also consented to entry of an Order of Administrative Penalty against him in an amount of \$15,000, including interest at the maximum legal rate of 10% per year from the date of entry of the Order until paid in full, to be reduced to \$5,000 if full restitution is timely made pursuant to the proposed Order.

Weiner additionally consented not to apply for registration or licensing as a securities salesman or dealer, investment adviser or investment adviser representative in Arizona for ten years from the date of entry of this Order or until restitution and penalty are paid in full.

If the Order and Consent is issued, the hearing in this matter, which was continued pending the Commission's consideration of this proposed Order and Consent, will proceed against the remaining Respondent who requested a hearing: Douglas Dean Sackett.

MB: ptj
W/ attachments

Originator: Pamela T. Johnson
Assistant Attorney General Assigned: Norma Martens